

1 \_\_\_\_\_ BILL NO. \_\_\_\_\_

2 INTRODUCED BY \_\_\_\_\_  
3 (Primary Sponsor)

4 BY REQUEST OF THE DEPARTMENT OF TRANSPORTATION

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6 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING AN INTERIM COMMITTEE TO STUDY THE  
7 FEASIBILITY OF IMPLEMENTING DESIGN-BUILD AND WARRANTY CONTRACTING PILOT PROGRAMS  
8 FOR ROAD AND BRIDGE CONSTRUCTION; PROVIDING AN APPROPRIATION; AND PROVIDING AN  
9 EFFECTIVE DATE AND A TERMINATION DATE."

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11 WHEREAS, the Federal Highway Administration (FHWA) has recommended the use of  
12 nontraditional, innovative contracting practices that have the potential for enhancing the quality of our  
13 highways; and

14 WHEREAS, the Intermodal Surface Transportation Efficiency Act of 1991 (ISTEA) permitted a state  
15 to exempt itself from FHWA oversight for federal-aid projects located off the National Highway System;  
16 and

17 WHEREAS, for projects falling under the above conditions, warranty clauses may be used in  
18 accordance with state procedures; and

19 WHEREAS, warranties have been successfully used by some states on nonfederal road and bridge  
20 construction projects to protect investments from early failure; and

21 WHEREAS, the design-build method of contracting for road and bridge construction allows the  
22 contractor maximum flexibility for innovation in the selection of design, materials, and construction  
23 methods; and

24 WHEREAS, from the contracting agency's perspective, the design-build method of contracting for  
25 road and bridge construction has been shown to provide a significant timesavings benefit.

26 NOW THEREFORE BE IT RESOLVED, that the Legislature finds it appropriate that an interim  
27 committee be established to develop and, if appropriate, implement design-build and warranty contracting  
28 pilot programs for road and bridge construction projects funded through the Department of Transportation.

29

30 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

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2        **NEW SECTION. Section 1. Design-build and warranty contracting pilot program study committee**

3 -- membership -- meetings -- purpose -- expense reimbursement. (1) There is an interim design-build and  
4 warranty contracting pilot program committee composed of nine members. The members must include:

5        (a) two members of the house of representatives, one from each party, appointed by the speaker  
6 of the house;

7        (b) two members of the senate, one from each party, appointed by the committee on committees;

8        (c) the director of the department of transportation;

9        (d) the chief engineer of the department of transportation;

10       (e) a representative of the Montana contractors' association, appointed by the president of the  
11 association;

12       (f) a consultant engineer, appointed by the consulting engineers council of Montana; and

13       (g) a member of the general public, appointed by the governor.

14       (2) A vacancy occurring on the committee must be filled in the same manner as the original  
15 appointment.

16       (3) The members of the committee shall select a presiding officer from among the members.

17       (4) The presiding officer shall schedule meetings and shall direct the staff of the department of  
18 transportation to give notice of the time and place of meetings to the committee members and to the  
19 public.

20       (5) The purpose of the committee is to study the feasibility of implementing design-build and  
21 warranty contracting pilot programs for road and bridge construction projects.

22       (6) The committee is attached to the department of transportation for administrative and staffing  
23 purposes.

24       (7) (a) Except as provided in subsection (7)(b), members of the committee must be reimbursed  
25 in accordance with 2-18-501 through 2-18-503 for actual and necessary expenses incurred in attending  
26 meetings or conducting committee business.

27       (b) Legislators serving on the committee must be reimbursed and compensated, as provided in  
28 5-2-302, for actual and necessary expenses incurred in attending meetings or conducting committee  
29 business.

NEW SECTION. **Section 2. Powers and duties -- progress report.** (1) If determined to be feasible,

the interim design-build and warranty contracting pilot program committee shall:

(a) develop two road or bridge design-build and contracting pilot programs for implementation by

the department of transportation over the next 6 years; and

(b) establish a warranty contracting pilot program for road and bridge construction projects for

implementation by the department of transportation over the next 6 years.

(2) The committee shall submit a written report to the office of budget and program planning and

to the legislative finance committee no later than September 15, 2002, that must include a progress report

on the implementation of the pilot programs.

**NEW SECTION.** **Section 3. Appropriation.** There is appropriated \$10,000 from the highways

special revenue account to the department of transportation for the biennium ending June 30, 2003, for

the operating expenses and personnel expenses of the interim design-build and warranty contracting pilot

program committee.

**NEW SECTION.** **Section 4. Effective date.** [This act] is effective July 1, 2001.

**NEW SECTION. Section 5. Termination.** [This act] terminates June 30, 2003.

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